DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
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8 Oct 92

FOREWORD

1. PURPOSE

This publication, NAVMC 2910, Taking "Control" of the Foodservice Operation, Part I, provides information for foodservice employees on kitchen controls. This guide to foodservice controls was developed to assist foodservice activities in operating in a more profitable and businesslike manner.

2. INFORMATION

a. This Guide, informative and not directive in nature, is to be used for instructional purpose.

b. For requisitioning instructions, see the current edition of MCO P5600.31, Marine Corps Publications and Printing Regulations.

3. CERTIFICATION

Reviewed and approved this date.

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TAKING "CONTROL" OF THE FOODSERVICES OPERATION

Introduction

This publication, Taking "Control" of the Foodservice Operation, presents some basic practices in foodservice operations. This booklet should be used as a source of information for implementing operational foodservice controls.

Some of the sections are presented with the intention of explaining the importance of controls for foodservice operations. Other sections contain forms and outlines depicting specific operational requirements. Those sections containing forms have a completed form blank form, and step-by-step instructions on how to fill out the form. This approach has been used to emphasize the need for an overall understanding of controls and specific procedural practices to follow for successful foodservice controls.

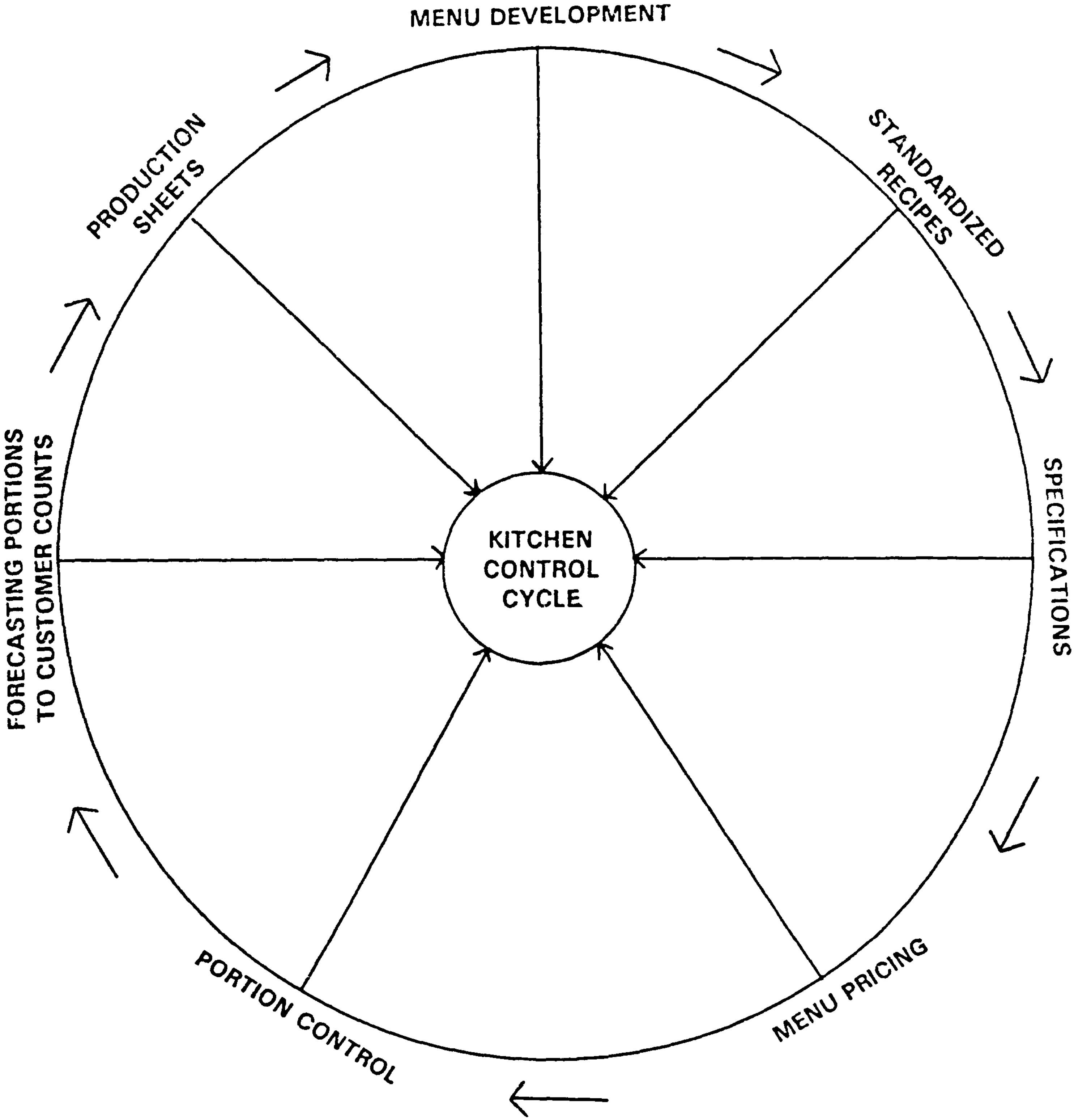
The booklet has two sections: Kitchen Controls and Storeroom Controls. Although they are interrelated and work together, they have specific individualized controls that must be planned, implemented, and monitored on a regular basis. These controls are interacting, meaning that each control informatively leads into the next. If any one of these controls is not acted upon, then the whole control cycle is disrupted and cannot become the tool it was intended to be. These controls are not new to the foodservice industry. Almost all successful, private foodservice businesses, whether large or small, rely on these types of controls to ensure their success and thus, become part of their daily standard operating procedures.

These controls are also not new to the MWR Food and Hospitality foodservice system. Used properly they will make our activities easier to control and to help evaluate itself to ensure a successful foodservice operation.

SECTION I

KITCHEN CONTROLS

Diagram of Kitchen Control Cycle



MENU DEVELOPMENT

Importance of Menus

A menu is much more than a listing of the various food items being offered at the foodservice operation. In fact, the establishment of the menu items is the base point at which the entire operational cycle begins. Decisions made as to what types of items will appear on the menu will affect purchasing, storage, and preparation requirements. In addition, revenue, food cost, payroll cost, preparation, and scheduling will all be dependent on the menu items that are chosen. All in all, the menu must be considered as the focal point of the foodservice operation and, as such, must be carefully planned and implemented.

In addition to its effect on the operational cycle, the menu must be considered as the operation's most convenient and essential advertising and marketing tool. There are numerous considerations that must be made in producing an effective menu. The key concern is that without proper attention the menu will be a detriment rather than an advantage to the foodservice operation.

Development of the menu involves the interaction of all areas of the operation. There is no one area that demands more attention than another, but the lack of attention to any one area will have a negative impact on the food operation. This understanding is critical.

Development of the Menu

Development of a menu must be both subjective and objective. This means that all menus must be a combination of both data gathered about menu ideas and preferences as well as management's intuitive reasoning. Management must be given the flexibility to develop menus, but also must consider historical sales data, patron surveys, and other data that addresses food sales and preferences. There is room for creativity, but in the foodservice system, there must be some consideration for conservatism in menu development. These are some of the pitfalls to avoid when developing menus:

- Choosing items based only on the menu developer's preference.
- Lack of creativity.
- Improper matching of skill capabilities with menu items.
- Poor organization of meal courses -- confusing menu format.

- Lack of consideration of equipment.

- Variety either too extensive or too limited.

Menu Item Based Only on Developer's Preferences

Menu items that appeal to the menu developer will not necessarily appeal to the foodservice operations patrons. Consideration for customer preferences is a must in menu development. The temptation to include only menu items that one person is familiar or comfortable with must be avoided. That occasional favorite dish, however can be sold as a special to see what customer acceptance will be. A combination of customer preference and creativity must be sought.

Creativity

A menu that offers very common menu items defeats its own purpose as a primary advertising and sales tool. Common items should not be avoided, however, the menu forfeits several merchandising capabilities by limiting the number of creative items. Menu item flexibility can offer a better selection to the patrons of the foodservice operation. Although common items like a cheeseburger will draw a particular business, lack of creativity will limit the potential business that may come with more interesting menu items. The foodservice operation should not strive to minimize complaints by offering only common menu items; instead, it should strive to maximize compliments by offering creativity in menu items.

Matching Skill Requirements with Menu Items

The menu that is written without considering the skill capabilities of preparation personnel is doing the foodservice operation a great disservice. The menu should not be composed of foods that cannot be sufficiently and properly prepared by the staff. Certain menu items often require more skill to prepare than is realistically available in the operation. Consideration should be given to capabilities of food preparation personnel without the need for extensive training or experience.

Consideration for Equipment

The menu should be developed with consideration to the various pieces of equipment available in the foodservice operation. The menu should not describe items as being "charcoal broiled" unless the item is actually broiled over charcoal flames. Likewise, the menu should not contain too many deep fried items if the operation only has one deep fryer.

Organization of Format

A menu should have en understandable and recognizable flow that will not confuse or frustrate the customer. The organization of menu items into groups which follow a logical sequence eliminates confusion in making menu item choices.

Variety of Menu Items

The decision as to the extent of variety offered on a menu can have a very definite effect on the food operation in two distinct ways. First of all, variety will affect customer acceptance. Too little variety may discourage while too much variety may confuse. Secondly, variety will have impact on sales and costs. Too little variety may eventually discourage repeat business while too much variety can mean over preparation, waste, and money tied up in inventory. Variety should be used to encourage customers who do not want the same menu item every time they visit the operation.

Menu Development Outline

The following outline is presented for use as a guideline in the development of all menus.

I. Analyze Need for Menu

- A. Sales analysis
  1. Scatter sheets
  2. Profit and loss statements
- B. Gross profit analysis
  1. Menu scoring sheets
  2. Profit and loss statements
- C. Cost analysis
  1. Food cost percentages
  2. Gross profit analysis
  3. Profit and loss statements

D. Market opinions

1. Informal surveys

2. Formal questionnaire

II. Analyze Equipment and Skill Requirements

A. List of all available equipment

B. List of employees with their skill levels

III. Choose Menu Items

A. Market preferences

1. Informal surveys

2. Formal questionnaire

3. Food service trends

B. Competition review

1. Price

2. Quality

3. Miscellaneous product characteristics

C. Popular item review

1. Portion size

2. Price

3. Special characteristics

D. Intuition

IV. Develop Standard Recipes and Test Recipes

V. Merchandising

A. Menu item descriptions

B. Item highlighting - special offerings

C. Variety and choice emphasis

D. Seasonality

VI. Menu Formatting

A. Number of items

B. Logical arrangement of items

C. Creativity

VII. Menu Design Considerations

A. Illustrations

1. Amount, if any

2. Size

3. Type

B. Size and style of lettering

1. Division of items

2. Highlighting

3. Legibility

C. Colors

1. Cost

2. Effectiveness

D. Menu Board

1. Cost

2. Type of materials

3. Durability

4. Size

E. Menu size

1. Convenience

2. Practicality

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A. Food cost

1. Recipe costing

2. Miscellaneous costing (overhead, price fluctuations)

B. Market flexibility

1. Range of prices

2. Financial conditions

C. Competition

1. Portion sizes

2. Quality

3. Special characteristics

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D. Menu item popularity

1. Anticipated volume of sales

2. Low cost versus high cost decisions

E. Profit objective

IX. Proofs from Menu Printer

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STANDARDIZED RECIPES

A standardized recipe is a recipe that has been adapted to your operation and has been tested a number of times and found consistently satisfactory. A recipe of this type is based on the portion size and yield requirements of the individual foodservice operation. Standardized recipes bring to the worker confidence in producing a consistent product and a means of obtaining and controlling costs.

Standardized recipes must be developed for each menu item at each different foodservice operation. They provide a tool to control cost and quality of the different menu items. Proper use of standardized recipes will ensure that the menu items are prepared the same way each time. No longer will any menu item be dependent on the talents of just one person. Any properly trained employee will be able to turn out a consistent, quality product by following the recipe.

Standardized recipes also give us a handle on food costs control. Recipes will tell us how much food to order, thus reducing costs by cutting down on inventory levels. In terms of preparation, the recipe gives a yield for each item making preparation forecasting more accurate. Proper forecasting through standardized recipes eliminates waste, over preparation, and reduces customer complaints because of run-outs. This ensures satisfied customers and reduces food cost at the same time.

Standardized recipes are among the most valuable possessions of a well-run foodservice operation. Recipes frequently need to be adjusted for the number of portions required. Errors are likely to occur when recipes are reduced enlarged, or retyped. A mistake in only one item may spoil the product. Proportions in recipes should not be changed without testing. A recipe is standardized by carefully adjusting ingredients and their proportions to produce products of acceptable quality and in amounts sufficient for the desired number of portions of specified size.

Information that should be stated in standardized recipes includes:

- Name of the item to be produced
- Yield
- Portion size
- Ingredients of the product
- Weight or measure of the ingredients
- Method of preparation

Advantages to standardized recipes:

- Standardized recipes facilitate uniform quality and taste. The patron who orders a product and smacks his lips in fond remembrance of past enjoyment will again enjoy the same taste, not another cook's different interpretation. Your patrons have a right to expect the same item each time they order it.

- Standardized recipes give predictable yields. It is known exactly how much the recipe will produce. This knowledge will also affect portion control, since the number of servings from a particular recipe can be determined in advance. Portion control, in turn, is necessary for accurate costing.

- Production control, with standardized recipes, makes management less dependant on the whims of and changes in personnel. Almost any person with average ability and intelligence can be taught to produce excellent food with the necessary information. This is especially important to the operation, because you no longer have to plan specific menu items around the schedules of certain workers who, alone, have the knowledge to produce these specialties.

- Standardized recipes reduce the time supervisors spend in repetitive but necessary activities. When quality and quantity are assured by standardized recipes, changes in portion cost, due to fluctuating market costs, can be obtained quickly and simply. Adjusting recipe yield is also relatively easy with standardized recipes as a basis. Hurried, frequent "guesstimates", which often result in poor quality products, employee dissatisfaction, and wasted time and material, are no longer a part of the kitchen routine.

- Using standardized recipes for all the basic menu items leaves more time to develop unique and original items, explore additional ideas for merchandising or service, and investigate new foods and equipment. All of these things contribute to the success of a foodservice operation and make food preparation easier and often more interesting for cooks and supervisors.

- Production control, with standardized recipes and procedures, simplifies purchasing. Because you know what you need and how much you need, you can concentrate on obtaining quality in these items at the most reasonable price, minimize waste, utilize storage space to the best advantage, and keep inventories adequate but not excessive.

- With standardized recipes for production control, you know where your foodservice operation is going--not just where it has been. You can see ahead to eliminate items from the menu which will not "pay their own way" at a particular time. You know losses from overproduction can be eliminated and losses from product failure can be minimized. You can price food on actual costs, knowing ahead of time that you will make a reasonable profit.

- Controlled production frees management time for concentrating on working with people instead of things. By freeing schedules of repetitive details and unnecessary routine jobs, management can devote more time and thought to this role.

- Production control, based on standardized recipes, introduces a feeling of job security and satisfaction for foodservice workers. The employee knows what to do, how to do it, and what kind of product they will obtain. Their responsibility becomes preparing the product carefully instead of deciding how to produce an item of the desired quality in the amount required.

Instructions for completing the Standardized Recipe form:

- Review sample and blank form.

- Fill in the name of the product in the item area.

- Fill in the yield (how much the recipe will make) in the yield area.

- Fill in the portion size in the portion size area.

- List all ingredients in order of preparation in the ingredient column.

- List the exact amount of each ingredient by measure or weight (cup, ounce, lb, tsp) in the measure or weight area.

- Fill in the steps of preparation in the method area.

- Fill in the date the recipe was completed in the date area.

- Fill in the recipe number in the recipe no. area. This should be done in sequence according to the category of the food item. Example; soups can be numbered 5-1, 5-2, etc. with an index listing both name and number of the recipe Cream of Mushroom is 5-1, Cream of Tomato is 5-2, etc.

RECIPE NO.: P-6 **YIELD:** 50 PORTIONS

DATE: 1-28-92 **PORTION SIZE:** 8 OZ

ITEM: CHICKEN A LA KING

INGREDIENTS	MEASURE OR WEIGHT
MUSHROOMS, DICED (1/2 IN.)	2 LB
BUTTER, MELTED	2 LB
FLOUR	16 OZ
CHICKEN STOCK, HOT	2 QT
MILK, HOT	3 QT
LIGHT CREAM, HOT	1 QT
GREEN PEPPERS, DICED (1/2 IN.)	1 LB
PIMIENTOS, DRAINED, DICED (1/2 IN.)	8 OZ
SALT	TO TASTE
SHERRY WINE	6 OZ
CHICKEN MEAT, COOKED, BONELESS,	
SKINLESS, DICED (1 IN.)	9 LB

METHOD

1) SAUTE MUSHROOMS IN MELTED BUTTER UNTIL SOFT. ADD FLOUR. STIR, AND COOK SLOWLY FOR 10 MIN. DO NOT BROWN.

2) ADD HOT STOCK. STIR UNTIL SLIGHTLY THICKENED, AND SMOOTH. ADD MILK AND CREAM AND BLEND WELL.

3) COOK PEPPERS IN BOILING SALTED WATER FOR 5 MIN. DRAIN PEPPERS AND ADD TO SAUCE WITH PIMIENTOS.

4) ADD SHERRY AND ADJUST SEASONING.

5) COMBINE CHICKEN AND SAUCE, STIRRING CAREFULLY TO PREVENT BREAKING UP PIECES OF CHICKEN OR VEGETABLES.

NOTE: MAY BE SERVED WITH RICE, IN PATTY SHELL, ON TOAST, EN CASSEROLE WITH TOAST POINTS, OR WITH CREPES A LA REINE.

RECIPE NO.: YIELD:

DATE: PORTION SIZE:

ITEM:

INGREDIENTS	MEASURE OR WEIGHT	METHOD

SPECIFICATIONS

A purchase specification is a concise description of quality, grade, composition of contents, purchase unit, size, weight, count, or packaging and sometimes, places of origin desired for a particular item. The description shall be enough to convey to the vendor, as well as to the person receiving the merchandise, what is wanted and expected to be delivered.

Both the establishment of and changes to purchase specifications are a joint responsibility of the manager, chef, and the purchasing agent and should be based on such considerations as menu needs, selection and quality, purchase price, selling prices, portion sizes, etc. Once established, the specifications should be enforced. This can be done by:

- Giving a set of specifications to each supplier.
- Instructing vendors to comply with them or ask for permission to substitute for unavailable items.
- Providing the receiving area with a copy of the specifications and training receiving personnel to conscientiously check incoming food against the specifications.
- Having occasional spot checks by the manager and chef to assure that received goods comply with written specifications.

There are several elements that the person responsible for developing food specifications should consider:

- The specifications should state exactly what is wanted in a manner that is clear, definite, and complete.
- The specifications should take into consideration the eventual use of the item and whether the available staff has the technical skills to prepare the specified item.
- The specifications should be able to serve as a basis for testing deliveries to ensure conformity to standards.
- The specifications should avoid nonessential quality restrictions.
- The specifications should comply with established standards of the industry.

While it is desirable to have virtually all food items included in purchase specifications, it is obligatory that major meats, seafood, and those convenience foods, staples, and canned goods which are used in substantial quantities, be specified in writing. Suitable purchase specifications require the following information:

- Exact trade or common name of the item.
- Quality (grade, appearance) expected by the buyer.
- Variable specifics of the product (i.e., "age" for meats, "syrup density" for canned fruits).
- Portion sizes (include own sizes and weights where appropriate).
- Packing requirements.
- Special instructions.

Two general policies that are recommended for food specifications are:

1. All meats, meat products, poultry, poultry products, and fish purchased must be government inspected.
2. Only pasteurized milk and milk products shall be purchased.

Federal Grades for specific food categories

	Beef	Veal	Lamb	Pork	Poultry
1.	Prime	Prime	Prime	U.S. #1	U.S. Grade A
2.	Choice	Choice	Choice	U.S. #2	U.S. Grade B
3.	Select	Good	Good	U.S. #3	U.S. Grade C
4.	Standard	Standard	Utility	U.S. #4	
5.	Commercial	Utility	U.S. Utility		
6.	Utility				
7.	Cutter				
8.	Canner				

Fresh Fruit	Fresh Vegetable
U.S. Fancy	U.S. #1
U.S. #1	U.S. #2
U.S. #2	U.S. Commercial

Canned Fruits	Canned Vegetables
Grade A or Fancy	Grade A or Fancy
Grade B or Choice	Grade B or Extra Standard
Grade C or Standard	Grade C or Standard
Below Standard in Quality	Below Standard in Quality

As a time saver in writing specifications, consult the vendor's product listing. The description, packaging, size, weight, count, etc., are listed with the item name.

Instructions for completing Specifications form:

- Review sample and blank form.
- Write in category (meat, poultry, fish, produce, etc.) on the line above item name.
- Fill in date with month-day-year in the date area.
- Write in product you want to purchase (be specific, i.e. boneless chicken breast with rib meat) in the item name column.
- Write in brand name of manufacturer (Del Monte, Hunts, etc.) in the brand name column.
- Write in grade of quality according to the appropriate category in the grade column. Note, each food category has its own grading code.
- Write in the exact denomination (be specific - #10 can, 24 pcs per box, 6 ounce pcs) of the item in the weight, size, pack, count column.
- Write in how the product is purchased (case, box, each) in the purchase unit column.

SPECIFICATIONS

Date 1-28-92

POULTRY

ITEM NAME	BRAND NAME	GRADE	WGT, SIZE PACK, COUNT	PURCHASE UNIT
CHICKENS, WHOLE, FRESH, W/O NECK OR GIBLETS, 2½ LB FRYER	TYSON	A	2½ LB FRYERS 16 HEAD/CASE	CASE

SPECIFICATIONS

Date 1-28-92

STAPLES

ITEM NAME	BRAND NAME	GRADE	WGT, SIZE PACK, COUNT	PURCHASE UNIT
FLOUR, ALL PURPOSE, BLEACHED, ENRICHED	GEN. MILLS		25 LB BAG	BAG
PIMIENTOS, CANNED, RED, WHOLE,	—	A	#2½ CAN 24-2½ CANS/CASE	CASE
SALT, IODIZED, TABLE	MORTON		26 OZ CONTAINER 24-26 OZ CONT/CASE	CASE

SPECIFICATIONS

Date 1-28-92

DAIRY

ITEM NAME	BRAND NAME	GRADE	WGT, SIZE PACK, COUNT	PURCHASE UNIT
BUTTER, LIGHTLY SALTED,		A	1 LB PRINT 30-1LB/CASE	CASE
MILK, WHOLE, HOMOGENIZED, VIT A + D ADDED		A	1 GALLON	GALLON
CREAM, LIGHT, ULTRA-PASTEURIZED		A	1 QT	QUART

SPECIFICATIONS

Date 1-28-92

VEGETABLES

ITEM NAME	BRAND NAME	GRADE	WGT, SIZE PACK, COUNT	PURCHASE UNIT
MUSHROOMS, FRESH, WHITE, LARGE		No. 1	10 LB BOX	BOX
GREEN PEPPERS, SWEET, FRESH, CALIF, BELL,		No. 1	MEDIUM - 2½ INCH DIAMETER 24 LBs	CASE

SPECIFICATIONS

Date___________

ITEM NAME	BRAND NAME	GRADE	WGT, SIZE PACK, COUNT	PURCHASE UNIT

<u>SPECIFICATIONS</u>

Date___________

ITEM NAME	BRAND NAME	GRADE	WGT, SIZE PACK, COUNT	PURCHASE UNIT

PURCHASING PROCEDURES

Purchasing is the base point at which merchandise cost is determined. Before any preparation of food can begin, the purchasing of raw materials, with comprehensive policies and procedures, must occur. Although poor preparation practices may destroy the quality of a purchased product, good preparation cannot compensate for poor quality of purchased food. The best merchandising policy cannot compensate for unimaginative purchasing when it is not altered to new products, new markets, and trends. Nor can cost controls be totally effective in production and services if buying is wasteful. Food cost control begins at the time of purchase.

Effective Purchasing Procedures

The following purchasing procedures are recommended:

- Purchase only the quantities required for maintenance of predetermined stock levels at the facility.

- Purchase only according to product specifications to ensure consistency in the quality of food served to the customer.

- Use order sheet forms to list all items to be ordered and to record price quotations from at least two vendors on all major food items. Purchasing through competitive bidding is protection for the buyer and secures the best quality at the lowest price offered.

- Make comparisons of food quality and yield in relation to price; the lowest bid is not necessarily the best buy.

- Purchase by weight whenever possible; state minimum weight acceptable in containers on purchase specifications.

- Avoid bargains as a general rule, but encourage vendors to contact you whenever they believe that they have an exceptionally "good buy".

- Purveyor meetings should be done by appointment only and used to introduce new products and obtain additional information on products and market conditions.

- For high cost and high volume items (such as meats, certain produce and staple goods), maintain a spreadsheet, tracking the unit costs of the items, and carefully watch for price volatility and fluctuations.

A standard order form should be developed and used by purchasing personnel when placing orders. A copy of the order form must be provided to receiving personnel to verify the accuracy of the delivery. As a minimum the form should include the purveyor, item description, quantity ordered, specifications if applicable, unit (lb, ea cs, etc.) and unit cost.

MENU PRICING

One of the most complex and demanding requirements in food service operations is the area of pricing menu items. There are various methods used in determining the selling price of menu items and there is no guarantee that any one method will be successful all of the time. Food service operations, therefore, use a combination of methods to price menu items. The pricing procedure is critical to the operation's success because it must run a profitable food operation.

In pricing menu items, the following factors are essential considerations:

1. The total cost of the menu item ingredients.
2. What the market will bear as a price.
3. What competitors' prices are.
4. The anticipated item popularity.
5. Profit objectives.

Food Cost

All menu item ingredients will have a cost to purchase them. This cost is known as the raw food cost, i.e., the cost of the menu item before it is marked up (or priced) for sale. The raw food cost of a single menu item is determined by adding all of the costs of ingredients used in the preparation of the item.

Market Flexibility

What the market is willing to bear for the cost of a menu item is an extremely important factor in determining menu prices. There is a certain skill necessary in order to make this market flexibility determination accurately. The skills involve a knowledge of how past similarly priced and quality items have sold, what makes a customer pay a certain price for an item at the competition, and what distinguishing characteristics the operation's food has that will expand the market flexibility.

The knowledge of past performances and acceptance levels will be important in analyzing market flexibility in menu pricing. Similar items at similar prices would seem to elicit a better response from the patrons and efforts should be made to make menu quality and price changes gradually.

If competitors are charging much less for the same basic food, then the manager must ask himself why this is so. There must be an estimation of why prices are so variable before new menu pricing can be accomplished. This can simply be done by comparing the menu items through actual testing of the food.

Food quality, portion size, and overhead should be realistically appraised. This is important because there may be extreme operational differences between food service facilities and some allowance must be given for those differences.

Competition

The operation is in competition for the money that patrons spend on food. Local eateries desire the food service expenditures of all base personnel and realize the volume of business it means to their operations. The realization of this competitive environment is critical to the pricing of the menu items (hamburgers, pizzas, sandwiches, etc.). All menu items must be competitively priced. The base personnel cannot be viewed as a captive audience; they can just as easily eat outside the base as inside. Our food service operations must capitalize on their convenient location and combine that with competitively priced meals.

Competitive pricing alone, however, will not be sufficient. As with other factors and considerations, competitive pricing must be accompanied by good quality food, an enjoyable atmosphere, and pleasant service. Although poor performance in these other areas may affect business, nothing will have a more devastating effect on business than menu pricing that is out of line with accessible competition.

Menu Item Popularity

Consideration in the pricing of menu items is the anticipated popularity of sales for the items. There are two different ways of approaching this practice. One method is to establish a lower food cost percentage, thus a higher profit and menu price, for popular items. The basis for this school of thought is if an item is popular, customers will buy it even if it is priced a little higher than anticipated. The other school of thought is that popular menu items should be priced at high food cost percentage and thus lower profit to encourage a higher volume of sales. The popularity of menu items is very important and the major concern of the manager when pricing menu items should be to determine the number of sales of each menu item.

Note: to obtain a selling price based on raw food costs use the following formula. Total cost of food items divided by desired food cost percentage equals selling price.

Profit Objective

All of the previous pricing considerations are a prelude to the overall goal of producing a profit from the food and beverage activities. Each operation must establish a reasonable overall profit objective of 5 percent. This means that after all expenses (food costs, beverage costs, labor costs, miscellaneous costs) have been determined, there is a profit shown at the bottom line. The principle concern is pricing of all menu items must consider the operations overall profit objectives. Prices, therefore, must be established (considering all factors) so that the food and beverage cost figures are within a reasonable range. The food cost of sales ranges for full service and snack bar operations are 37 percent - 42 percent, and 30 percent - 35 percent respectfully. The bar cost of sales range for full service operations is 25 percent-30 percent. Of course, pricing is only one determinant of an overall food cost but if pricing is inaccurate, there will be a very definite effect on the overall profit objective.

ITEM COST CARD

An accurate assessment of the operating efficiency of a food service operation and the precise pricing of menu items for maximum profit and patron acceptance are impossible without an exact knowledge of food cost. Menu item costs are influenced by various factors such as raw food costs, overhead expenses, and harbor costs. The cost of food fluctuation rapidly expands during seasonal changes. This factor must be considered when establishing the basic cost of food and when reviewing the selling price of the food item. Menu cost cards, containing portioned ingredients at cost, total cost of the item, item selling price and gross profit percentage, must be maintained for every menu item including specials and catering items. When preparing the individual cost cards, there should be adequate documentation as to how the serving cost was achieved. (Example: Hamburger patties serving cost .32). Although this may be the correct serving cost, the item cost card should reflect how this was determined. By reflecting container or package size, quantity, unit cost, and desired portions it can be easily identified as to the formula utilized for computing item cost.

Update cards at least quarterly. Items, content, portions and sizes come from the recipe. Unit costs are computed from data on inventory sheets or invoices, whichever has the most recent prices. You compute your selling price by dividing the total cost by the food cost desired.

Instructions for competing Item Cost Card.

- Review sample and blank form.
- Write in the name of the item to be coasted in the Name of Item area.
- Write in the date the costing was done in the Date of Test area.
- Write in the ingredients and portion sizes of the item to be costed in the area below Name of Item.
- Write the unit cost of each ingredient (.50 per lb., .05 each, .12 per ounce, etc.) in the Unit Cost column.
- Calculate the serving cost by multiplying the unit cost by the portion size (unit size and cost per unit must have then same denominator, example: ounces cost x ounces portion not ounces cost x lbs portion). Write the serving cost for each ingredient in the serving cost column.

- Total the serving cost column and write that figure in the total cost area under the serving cost column.

- Figure the selling price by dividing the total cost figure by the desired food cost percentage. Write the selling cost figure in the selling cost area under the total cost figure.

- Figure the gross profit percent by subtracting the desired food cost percentage from 100 percent. Write the gross profit percent in the gross profit percent area under the selling price.

ITEM COST CARD

NAME OF ITEM CREPES ALA REINE

DATE OF TEST →	1-28-92													
	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST
CREPES (6inch) (3pcs)	.02EA	.06												
CHICKEN ALA KING (9oz)	.12oz	1.08												
CREAM SAUCE (2oz)	.04oz	.08												
CHOPPED PARSLEY (1/2 TSP)	.01	.01												
CRAB APPLE (1 each)	.04	.04												
WATERCRESS (1 SPRIG)	.02	.02												
TOTAL COST		1.29												
SELLING PRICE		4.25												
% GROSS PROFIT		70%												

MWR 482 (Rev. 11-88)

ITEM COST CARD

NAME OF ITEM ______________________________

DATE OF TEST →														
	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST	UNIT COST	SERVING COST
TOTAL COST														
SELLING PRICE														
% GROSS PROFIT														

MWR 482 (Rev. 11-88)

PORTION CONTROL

Portion control like standard recipes is vital in the success of a food service operation. After portion sizes have been determined, changes should take place only after thorough investigation and management approval. Customer dissatisfaction and or high food costs are clues to management that portions may need to be adjusted.

Portion control requires two basic steps:

1. Determining the portion size.

2. Continually monitoring the portion size to ensure accuracy.

Each operation must determine for itself what portion is correct. The selection of portion sizes is reflected both on cost cards and standardized recipes. Analyzing customer reaction and monitoring food costs will give the manager a good idea if the portioning is correct.

As the name implies, the preparation cycle is a continuing process. Any deviation will affect the entire cycle. Deviating from pre-determined portions will cause a rippling effect on the entire system. This involves mostly purchasing and issuing, which depend on uniform portions and standardized recipes for accuracy and control.

After determining the proper portion size, management's responsibility is to ensure adherence to the portions. Portion charts or plate and portioning guides are a good tool for this purpose. They contain the portion size for each item being served and what tool is used (ladle, dipper, or scale). The chart or guide should be hung conspicuously near the serving area for quick reference. Enclosing this in plastic will keep it clean and allow for portion size changes.

In-depth training sessions with employees explaining the importance of portion control is necessary. Portion control charts or guides act as good visual aids during the session. Management should explain the proper use of the charts or guides and the proper use of portion control equipment.

Convenient ways of portioning food can be done using the following methods:

- **Portioning scales for sliced meats.** As meat is sliced, weigh every third or forth portion or slice to check the portion size. If the meat portion is too heavy, corrections can be made immediately to comply with specified portions.

- **Dishes and glasses can be purchased in various sizes.** After determining the correct portion, purchase the corresponding size glass.

- **Dippers and ladles are essential to good portioning.** Proper use of these tools will produce the same portion time after time.

- **Meat products and other food items can be purchased already cut or canned to a specific portion.** Strip steaks can be purchased to the exact weight needed: 6 ounces, 8 ounces, 10 ounces, and so on.

To summarize, portion control requires four steps:

1. Determine size of portion (references to recipes and cost cards).

2. Train personnel to follow portion sizes.

3. Use proper portioning equipment.

4. Constant management supervision to ensure correct portioning.

UNITS OF MEASURE - U.S. SYSTEM

Weight:

1 pound	= 16 ounces

Volume:

1 gallon	= 4 quarts
1 quart	= 2 pints or 4 cups or 32 (fluid) ounces
1 pint	= 2 cups or 16 (fluid) ounces
1 cup	= 8 (fluid) ounces
1 (fluid) ounce	= 2 tablespoons
1 tablespoon	= 3 teaspoons

Length:

1 foot	= 12 inches

Note: One fluid ounce (usually called "ounce") of water weighs one ounce. One pint of water weighs one pound.

ABBREVIATIONS OF U.S. UNITS OF MEASURE

Pound = lb
Ounce = oz
Gallon = gal
Quart = qt
Pint = pt
Cup = C

Fluid ounce = fl oz or oz
Tablespoon = tbsp
Teaspoon = tsp
Inch = in.

LADLES AND DIPPERS

Size - Ounces	Approx. # per qt.	Part of cup	Common Use
1/2 oz.	64	1 Tbsp.	
1 oz.	32	2 Tbsp.	Gravies, sauces, salad dressings
2 oz.	16	1/2 c.	Gravies, sauces, puddings
2 2/3 oz	12	1/3 c.	Gravies, sauces, vegetable, pancake batter
4 oz	8	1/2 c.	Soups, creamed dishes, vegetables, sauces, waffle and pancake batters, punch
6 oz	5 1/3	3/4 c.	Soups, chili, chowders, creamed dishes, chop suey, stews, punch, cocoa
8 oz	4	1 c.	Soups, chili, chowders, chop suey, stews, creamed dishes, punch, cocoa
12 oz		1 1/2 c.	
24 oz		3/4 qt.	
72 oz		2 1/4 qt.	

SIZE OF SCOOPS

Size & Number per Qt.	Measure	Approx. Fluid Wt.	Common Use
100	1 tsp.	1/2 oz.	Cookies, small cream puff
60	1 Tbsp.	1/2 oz.	
40	1 1/2 Tbsp.	3/4 oz.	Cookies, toppings, salad dressings
30	1/8 cup (2 Tbsp.)	1 oz.	Sandwich fillings, salads, sauces, cookies, toppings
24	1/6 cup (2 Tbsp.+ 2 tsp.)	1 1/2 oz.	Sandwich fillings, toppings, salads, cookies, rolls, drop biscuits
20	1/5 cup (3 Tbsp.)	2 oz.	Sandwich fillings, croquettes, fritters, salads, pudding sauces, cookies, drop biscuits, muffins, rolls, cupcakes
*16	1/2 cup (1/2 c.)	2 1/2 oz.	Meatballs, croquettes, fritters, puddings, vegetables, salads, sandwich fillings, drop biscuits, cupcakes, muffins, rolls, ice cream
*12	1/3 cup (1/2 c. + 1 Tbsp.)	3 oz	Same as #6 plus fishcakes, puddings, sauces for shortcakes, ice cream, etc.
10	2/5 cup (1/2 c. + 2 Tbsp. + 2 tsp.)	3 1/2 oz.	Same as #6 plus vegetables
* 8	1/2 cup (1/2 c.)	4 oz.	Same as #6 plus vegetables
6	2/3 cup	5 oz.	Mashed potatoes, creamed and scalloped dishes, stews, spanish rice, macaroni and cheese, salads, including main dish salads

* Scoop numbers most used in Institutional Cookery.

PLATING AND PROPORTIONING GUIDE

The plating and portioning guide is a tool to be used by employees as a quick visual reference to ensure that every food item that is served is exactly like the one before it.

The guide is a form that contains information critical to the portions, position of food items on the plate, and the service piece to use. A picture of the plated item is also on the form providing a means to control individual interpretation of what the plate should look like.

A complete sheet is filled out containing all the information needed for each menu item. The sheets should be placed into plastic sleeves and then put into a binder and kept in the kitchen to be used by the employees as needed. Management should also use the book to spot check conformance to the control and use as a training tool for all employees new or old.

Instructions for completing Plating and Portioning Sheet

- Review sample and blank form.
- Write the name of the dish in the item area.
- Write the date the form was completed in the date area.
- Write the meal period (breakfast, lunch, dinner, etc.) in the meal period area.
- Write the name of the activity in the activity area.
- List all the items that make up the dish in the ingredient column.
- Write the portion size for each item of the dish in the portion size column.
- Write the plate(s) that the item(s) are served on in the serving piece column.
- Write the garnish for the dish in the garnish area.
- Take a closeup picture of the dish and tape it in the picture area.

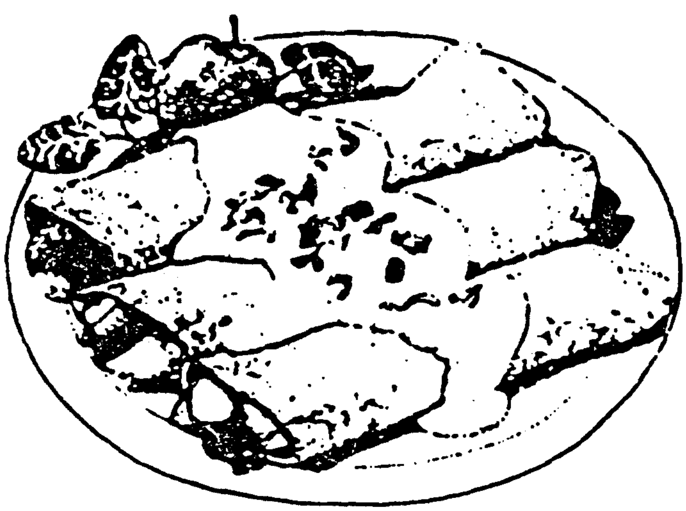
PLATING AND PORTIONING SHEET

ITEM: CREPES ALA REINE **DATE:** 1-28-92

MEAL PERIOD: LUNCH **ACTIVITY:** STAFF NCO CLUB

INGREDIENT	PORTION SIZE	SERVING PIECE	GARNISH
CREPES (6 inch)	3 each	9 inch Round Plate	CRAB APPLE AND WATERCRESS SPRIG
CHICKEN ALA KING	9 oz (3 oz each)		
CREAM SAUCE	2 oz		

PICTURE



PLATING AND PORTIONING SHEET

ITEM: ______________________________ DATE: ____________

MEAL PERIOD: ______________________ ACTIVITY: ____________

INGREDIENT	PORTION SIZE	SERVING PIECE	GARNISH

PICTURE

DAILY SCATTER SHEET

The daily scatter sheet is a very useful tool in evaluating menu items. The daily tallying or counting of the number of menu items served in each food category provides a continual source of feedback of customer preferences and market demands. All menu items should be monitored using the scatter sheets by the operation's manager or chef in order to determine the sales mix of menu items. Items which are slow moving and which show an inability to sell should be reevaluated before being placed on a new menu. Menu items which consistently sell should be retained on new menus and supplemented with different menu items.

Daily scatter sheets, by themselves, are not necessarily sufficient in determining customer preferences and market demands. Scatter sheets only tell the manager what items on the menu are selling; they do not indicate the potential demand for new menu items.

Understanding customer preferences and market demands is an ongoing function. There must be a mix of both formal and informal menu item evaluation by the managerial staff. This type of evaluation applies to both the initial development of all menus as well as the continual changing of menu items as needed.

Explanation of Daily Scatter Sheets

The purpose of the Daily Scatter Sheet is to keep a record of all food items served by an operation on a daily basis. This record is kept as a means of establishing the number of times each item listed on the menu or listed as a special is served. Analyzing the scatter sheet will give production pars and help in controlling inventories. Through the use of this Daily Scatter Sheet, the popularity of food items can be established for the purpose of designing a menu that both appeals to the member and is financially feasible to the operation.

Instructions for completing Scatter Sheet form.

- Review sample and blank form.
- Write meal period (breakfast, lunch, dinner, etc.) in the meal area.
- Write the date in the date area.
- List each menu item from the entire menu on the scatter sheet in the menu item column according to its percentage category. Categories are grouped in 5 percent increments. Example: In the 25 percent category, items with a cost of goods between 23 percent (2 percent

below) - 27 percent (2 percent above) will fail in the 25 percent category. Formula to find percentage category: **Divide cost of goods by sales price.**

- Write the selling price of each menu item in the sales price area.

- From all the guest checks for the meal period put a hash mark in the times sold area every time the item was sold.

- Total all the hash marks and enter that figure in the space between times sold and total sales columns.

- Compute total sales for each item using this formula: **Sales Price times Number of Times Sold equals Total Sales (for that item).** Write the total sales for each item in the total sales column.

- Total the sales within each cost percentage category. Write that figure in the total sales column on the same line as the category percentage total corresponding line stating cost percentage total.

- Compute the average food cost for each cost percentage category using this formula: **Total Sales (in dollars) times Cost Percentage Category equals Ave Food Cost.** Write this figure in the ave food cost column on the same line as the cost percentage total.

- Compute the grand total for the total sales column by adding only the total for each category. Write this figure in the total sales column on the grand total line.

- Compute the grand total for the save food cost by adding the ave food cost for each category. Write this figure in the save food cost column on the grand total line.

- Compute the cost percent to sales for each cost percentage category. The formula is: **Ave Food Cost per Category divided by Grand Sales Total equals Cost Percent to Sales.** Write this figure in the scatter sheet recap area corresponding to each food cost category.

- Compute the total of all the cost categories by adding all the cost percent to sales figures for each cost category. Write this figure in the total column on the cost percent to sales line.

- Compute the gross profit for each cost category in the scatter sheet recap area. The formula is: **Total sales (Per Cost Category) minus Ave Food Cost (Per Cost Category) equals Gross Profit (Per Cost Category).** Write this figure in the area corresponding to each food cost category.

- Compute the total gross profit by adding all the gross profit figures. Write this figure in the total column on the gross profit line.

SCATTER SHEET

MEAL LUNCH

DATE 1-28-92

SALES PRICE	MENU ITEM	TIMES SOLD		TOTAL SALES	AVE FOOD COST
	25% COST				
$ 6.65	CHOPPED SIRLOIN	卌 卌 卌	15	99.75	
4.10	CHEF'S SALAD	卌 III	8	32.80	
2.95	FRUIT PLATE	III	3	8.85	
	30% COST	25% TOTAL		141.40	35.35
1.10	PARFAITS	卌 卌 卌	15	16.50	
4.25	CREPES ALA REINE	卌 卌 卌 卌 卌	25	106.25	
.25	COFFEE	卌 卌 卌 卌 卌 卌 卌 卌 卌	45	11.25	
	35% COST	30% TOTAL		134.00	40.20
1.75	HAMBURGER	卌 卌 卌 卌 卌 卌	30	52.50	
5.25	FRIED CHICKEN PLATE	卌 卌 II	12	63.00	
.95	PIE ALA MODE	卌 IIII	9	8.55	
	40% COST	35% TOTAL		124.05	43.42
.50	SOUP DU JOUR	卌 卌 卌 卌 IIII	24	12.00	
1.95	CHEESEBURGER	卌 卌 卌 卌 卌 卌 卌	35	68.25	
3.50	HOT TURKEY SANDWICH	卌 卌 III	13	45.50	

SALES PRICE	MENU ITEM	TIMES SOLD		TOTAL SALES	AVE FOOD COST
	45% COST	40% TOTAL		125.75	50.30
4.95	COLD PLATE	卌 卌 I	11	54.45	
4.95	SEAFOOD NEWBURG	卌 卌 卌 卌 卌 卌	30	148.50	
	50% COST	45% TOTAL		202.95	91.33
4.95	SHRIMP LOUIS	卌 卌 卌 III	18	89.10	
	55% COST	50% TOTAL		89.10	44.55
5.50	STUFFED PORK CHOPS (2)	卌 卌 IIII	14	77.00	
	60% COST	55% TOTAL		77.00	42.35
6.25	ROAST BEEF AU JUS	卌 卌 卌	15	93.75	
		60% TOTAL		93.75	56.25
		GRAND TOTAL		988.00	403.75

SCATTER SHEET RECAP

ITEMS	25% COST	30% COST	35% COST	40% COST	45% COST	50% COST	55% COST	60% COST	TOTAL
COST % TO SALES	3.6	4.1	4.4	5.1	9.2	4.5	4.3	5.7	40.9
GROSS PROFITS	106.05	93.80	80.63	75.45	111.62	44.55	34.65	37.50	584.25

SCATTER SHEET

MEAL____________________

DATE____________________

SALES PRICE	MENU ITEM	TIMES SOLD		TOTAL SALES	AVE FOOD COST
	25% COST				
	30% COST	25% TOTAL			
	35% COST	30% TOTAL			
	40% COST	35% TOTAL			

SALES PRICE	MENU ITEM	TIMES SOLD		TOTAL SALES	AVE FOOD COST
	45% COST	40% TOTAL			
	50% COST	45% TOTAL			
	55% COST	50% TOTAL			
	60% COST	55% TOTAL			
		60% TOTAL			
		GRAND TOTAL			

SCATTER SHEET RECAP

ITEMS	25% COST	30% COST	35% COST	40% COST	45% COST	50% COST	55% COST	60% COST	TOTAL
COST % TO SALES									
GROSS PROFITS									

PRODUCTION SHEET

Production sheets are an integral part of the preparation cycle. From the production sheets, all information pertaining to the day's menu is recorded. Timely and accurate forecasting should allow the food preparation staff to prepare the amount of food necessary for the day's operation. Forecasting menu supply ingredient requirements is based upon information gathered from past menu cycles and the history of the operation. For example, on specific days of the week during the past year, a certain menu item sold exceptionally well. This figure is recorded so that on the next cycle, accurate menu supply ingredient figures can be determined. Keeping records such as these will prevent run outs and excessive waste causing both customer dissatisfaction and increased costs.

In order to further refine menu supply ingredient requirements for the next cycle, a history of each major menu item is recorded on the product requirement sheets. A column is provided for amount prepared, amount left over, or time the item ran out. These columns will indicate whether the required product quantity was accurate and will provide sufficient information to correct the forecasts for the next cycle.

Why bother to plan food production? From a cost of goods standpoint, you plan food production so that you won't have either leftovers or premature runouts. Leftovers drive food cost up; runouts keep sales down. Both affect cost of goods percentage for the operation.

And you also must plan food production so that food is ready when patrons want it. To do that, your kitchen employees must start preparations early enough (but not too early or payroll costs go up), and have the ingredients they need to work with. The food production plan helps you work all this out.

When do you make a food production plan? You make it up to a week in advance. That gives you enough time to make up work schedules, order the food, and correct any problems the plan brings out.

Gather things needed to make a good food production plan:

- Menu for the day(s) you are working on.
- Schedule of events form showing the day(s) you are working on.
- Blank food production plan sheets.
- Scatter sheet for the same day(s) last time menu was served.

- Party contracts for the day(s) you are working on.

- Any clues about base movement, payday, reservations, competing activities, or other things that could affect your business that day(s).

Product sheets are excellent training tools. When properly filled out, they can serve as instructional material for the food preparation personnel. They force the kitchen employees to adhere to portion control policy and to use recipes for all menu items.

Each department within the kitchen will receive a copy of the appropriate product sheet.

Successful use of product sheets depends on management input and constant supervision. When used correctly, however, they provide the operation with excellent form of control.

Instructions for completing Production Sheet form.

- Review sample and blank form.

- Write the date when the Food Production Sheet will be used in the date area.

- Write the week number and day number (example; week 3 - day 2) of the cycle menu or the contract number (if for catering) in the menu number area.

- Write the meal period (breakfast, lunch, dinner, etc.) in the meal period area.

- Write the menu items to be prepared in the menu item column.

- Write who is to prepare the item in the prepare column.

- Write the recipe number of the item to be prepared in the recipe number column.

- Write the portion size of the menu item to be prepared in the portion size column.

- Write the forecasted amount of the item to be prepared in the forecast amount column.

- Write how many batches (times) the item was prepared in the batches column. This can be determined on an as needed basis and recorded during the preparation of the item.

- Write in the number of portions left over or the time the item ran out in the left over/time out column.

- Write in the difference between how many portions of the item were prepared (forecasted amount plus batches) and how many portions were left over in the amount sold column.

- Write any note or comments in the special instructions column.

FOOD PRODUCTION SHEET

DATE 1-28-92

MENU NUMBER WEEK 3, DAY 2

MEAL PERIOD LUNCH

PREPARER	MENU ITEM	RECIPE NUMBER	PORTION SIZE	FORECAST AMOUNT	BATCHES PREPARED	AMOUNT SOLD	LEFT OVER/ TIME OUT	SPECIAL INSTRUCTIONS
Tim	CREPES	B-4	3each	30 PORT.	1	25	5 PORT	LEFTOVERS FOR DESSERT
John	CHICKEN ALA KING	P-6	9oz	30 PORT.	1	25	5 PORT	USE LEFTOVER FOR EMPLOYEE MEAL
Tim	CREAM SAUCE	S-1	2oz	40 PORT.	1	25	15 PORT	SAVE LEFTOVERS FOR DINNER
Tim	GREEN BEANS	V-4	4oz	40 PORT.	1+½	50	10 PORT	USE FROZEN VEG IN FREEZER
John	SCALLOP POTATOES	S-10	4oz	20 PORT.	1	20	1:10	
John	LONDON BROIL	M-6	6oz	20 PORT.	1+1	35	5 PORT	

FOOD PRODUCTION SHEET

DATE____________________

MENU NUMBER_______________

MEAL PERIOD_______________

PREPARER	MENU ITEM	RECIPE NUMBER	PORTION SIZE	FORECAST AMOUNT	BATCHES PREPARED	AMOUNT SOLD	LEFT OVER/ TIME OUT	SPECIAL INSTRUCTIONS

HIGH COST ENTREE CONTROL SHEET

The object of this internal control is to provide management with additional control over the more expensive menu items. By controlling the more expensive food items, we are eliminating the margin of multiple errors that are associated with them (waste, spoilage, theft, etc.).

The control is simple. Each and every item is accounted for through an inventory before and after the shift. The counts for the missing items are verified through the guest checks (for the number sold), employee meals, waste, and cooking or production mistakes (in space provided on the form).

Controls are needed on all food items but special attention needs to be paid to those items that are very costly and perishable. These items can have a detrimental affect on the operation's financial statement if not controlled properly. The control also helps in reducing production requirements, rotation of items, and proper forecasting.

This control also:

1. Provides management the ability to identify areas associated with missing items in order to correct them.

2. Sends a message to each participant in the chain of activities, of management's desire to know the status of there high cost items.

3. Coincide with production sheets, guest checks, and other controls.

<u>Instructions for completing High Cost Entree Control form.</u>

- Review sample and blank form.
- Write the date in the date area.
- Write the meal period (breakfast, lunch, dinner, etc.) in the meal period area.
- List all the high cost entree items (steaks, shrimp, lobster, chicken breast, etc.) and their size or weight in the menu item column for each item to be controlled.
- Take a physical inventory of the items to be controlled and write that number in the opening inventory area for each item.
- Record any additions after the opening inventory has been completed (this usually takes place during the meal period when an item sells well and needs to be restocked) in the additions column for each item.
- Compute the available total of each item by: **adding the Opening Inventory and Additions together.** Write this figure in the total available column for each item.
- At the end of the meal period count the controlled menu items and enter that figure in the ending inventory column for each item.
- Subtract the ending inventory for each item from the total available for each item and write that figure in the amount missing column for each item.
- The kitchen supervisor for the meal period is responsible for filling out the form and signs in the prepared by area.

Note: The kitchen supervisor is responsible for steps 2 through 70 and any comments which should be written in the explanation area.

- From the Scatter Sheet, transfer the number sold for each item in the sold column.
- If any items were consumed as employee meals, enter the number in the employee meals column for each item.

- The difference between the total of amount missing, sold, and employee meals columns is recorded in the variance column for each item. If units are missing; i.e., unaccountable, the management should promptly investigate the various possible causes for the existing discrepancy.

- Any notations or comments should be recorded in the explanation area at the bottom of the form.

- The manager for the meal period is responsible for completing the form and signs in the approved by area.

Note: The manager is responsible for steps 11 through 15 and should spot check the entire process of this control.

HIGH COST ENTREE CONTROL SHEET

DATE: 1-28-92 MEAL PERIOD: LUNCH PREPARED BY: Al Marko APPROVED BY: R. Winkelhauser

MENU ITEM	OPENING INVENTORY	ADDITIONS	TOTAL AVAILABLE	ENDING INVENTORY	AMOUNT MISSING	SOLD	EMPLOYEE MEALS	VARIANCE
CHOPPED SIRLOIN	18	Ø	18	1	17	15	1	1
SEAFOOD NEWBURG	26	5	31	1	30	30	Ø	Ø
SHRIMP	22	Ø	22	4	18	18	Ø	Ø
STUFFED PORK CHOPS (2)	16	Ø	16	1½	14½	14	½	Ø
ROAST BEEF	4	13	17	2	15	15	Ø	Ø
HAMBURGER PATTIE	40	45	85	13	72	65	6	1
CHICKEN ALA KING (FOR CREPES ALA REINE)	10	25	35	10	25	25	Ø	Ø

EXPLANATIONS: (A) 1 PORK CHOP WAS EMPLOYEE MEAL. (B) DROPPED 1 CHOP STEAK ON FLOOR AND SURVEYED. (C) 1 HAMBURGER PATTIE OVERCOOKED AND NOT SERVED.

HIGH COST ENTREE CONTROL SHEET

DATE: MEAL PERIOD: PREPARED BY: APPROVED BY:

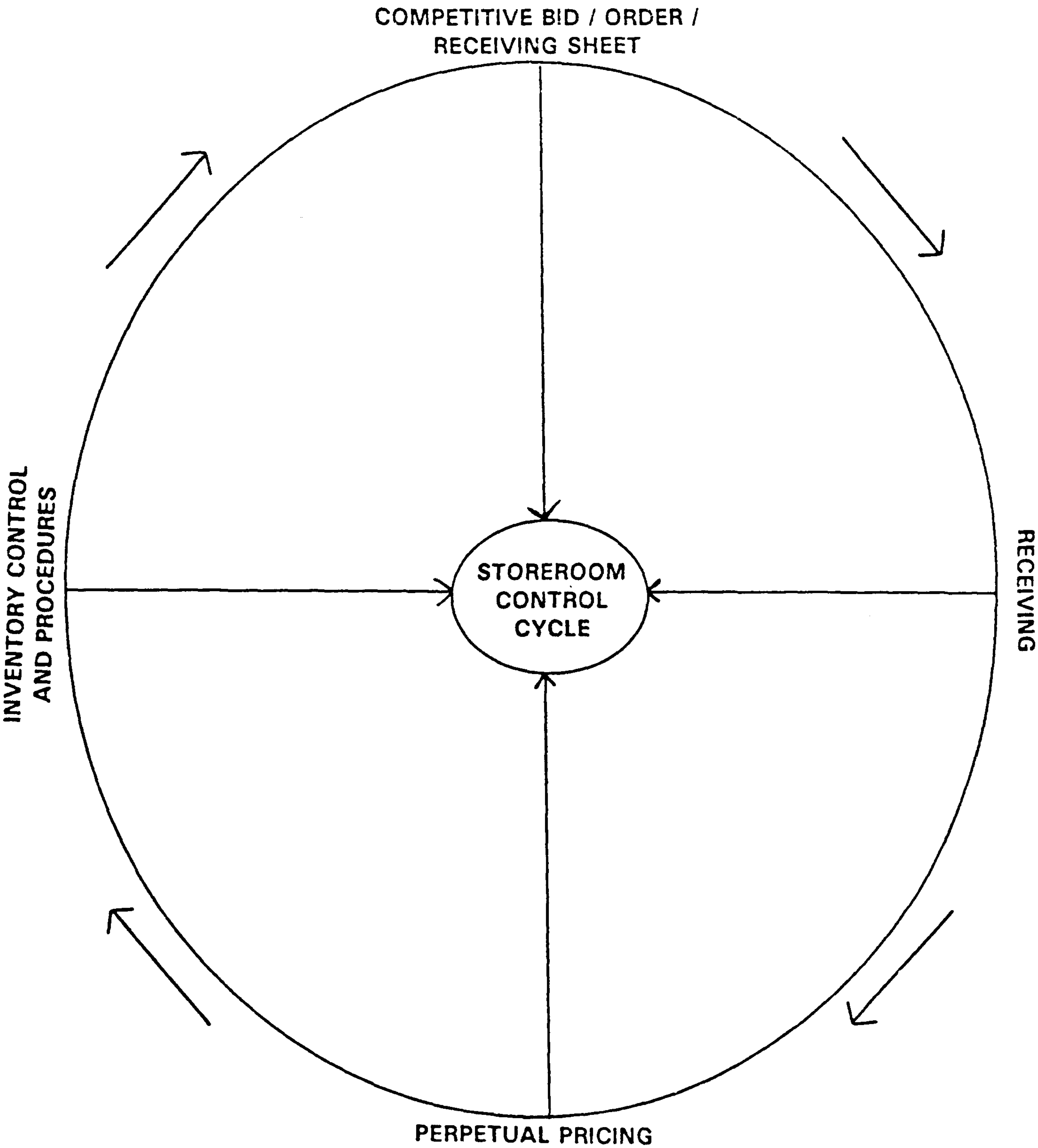
MENU ITEM	OPENING INVENTORY	ADDITIONS	TOTAL AVAILABLE	ENDING INVENTORY	AMOUNT MISSING	SOLD	EMPLOYEE MEALS	VARIANCE

EXPLANATIONS: ______

SECTION II

STOREROOM CONTROLS

Diagram of Storeroom Control Cycle



COMPETITIVE BID/ORDER/RECEIVING SHEET

This control form combines three major functions that affect virtually every aspect of the food operation. The first two functions of the form (competitive bid and order) are relatively simple, a more complicated area is the actual receiving of the items purchased.

COMPETITIVE BID

Foodservice operations cannot survive without checking the market to get the best price for the specific products needed to do business. Frankly put, the competitive bid process is simple and almost anyone can perform this function, although it is recommended that someone with food knowledge and experience is better qualified.

After the purchase specifications have been written and the items needed to be purchased are identified, the person taking the competitive bids calls the purveyors, tells the specifications of the products needed, and writes down the prices being quoted. After all items have been bid on, the lowest prices should be circled indicating those are prices quoted on that particular item from that purveyor and the order is ready to be given.

ORDER

The ordering function is again a simple process but it should be preformed by the same experienced person that took the competitive bids. These two functions are totally separate and should be conducted separately, the total process (taking the bids and ordering the products) may only take a short amount of time.

After the bids are taken purchase orders should be filled out. The purveyors with the best price for the specified products can then be called and given the order for delivery to the operation. When giving the purveyor the order, it is essential that all information is repeated (specified product, quantity, and price) to the purveyor. Once the orders are given, the purchase order is then given to the receiving person along with the competitive bid/order/receiving sheet.

RECEIVING

The receiving part of this control is to ensure that the items ordered are the items delivered and received with no variance. The information on the competitive bid/order/receiving sheet is compared to the invoice and the items being delivered. Without this form, the person doing the receiving does not know what has been ordered, the amount, price, and from what purveyor. With this form in the hands of the receiving person, there is a controlled system that leaves little chance for error. Once the receiving function has been completed, the form should then be sent to management for future reference.

Note: This process does not apply to those on the Prime Vendor Contract. The receiving function will remain the same.

<u>Instructions for completing the Comparative Bid/Order Sheet/Receiving Document</u>

- Review sample and blank forms.
- Purchasing Agent signs their name in the purchasing agent area.
- Write the date (month-day-year) in the date area.
- List all the products and the specifications for each item to be purchased in the product descriptions column.
- Write the unit (lb., box, can, case, each, etc.) of each item to be purchased in the unit area.
- Write the names and phone numbers of at least three vendors for price quotes in the purveyors area (one block for each vendor).
- Call the vendors, give the product and specification, and give units to be purchased, for each item listed. As the vendor gives the prices for each item, write that price under the vendors column on the same line as that item.

Repeat this process until all items have price quotes.

- If commissary is a main source of procuring products then obtain prices of those products from the commissary. Note, it is very beneficial to check commissary prices as long as the products in the commissary have the same specifications, and quality as the vendors.
- Review all the price quotes and circle the lowest one for each item.
- Write in the total amount for each item in the amount ordered column.

- Call the vendors selected and verify the item, specification, unit, and price for each item. Give the vendor the amount ordered for each item and put a check mark next to the amount ordered figure.

- Write in the date the items are to be delivered in the delivery date column for each item.

- A copy of this form is given to the person responsible for receiving the products.

- When the items are received the information on the comparative bid/order/receiving sheet is compared to the invoice for any discrepancies.

The receiving person puts their initials next to the delivery date of each item received.

- When all the receiving has been completed the receiving person signs the form in the receiving agent area. The form is then filed for future reference.

COMPARATIVE BID/ORDER SHEET/RECEIVING DOCUMENT

PERSON COMPLETING: R Winkelhauser / AC Marto
PURCHASING AGENT/RECEVING AGENT

DATE: 1/28/92

PRODUCT DESCRIPTIONS	UNIT	COMMISSARY PRICE	PURVEYORS			AMOUNT ORDERED	DELIVERY DATE
			HEN HOUSE 682-1511	CHIX SHACK 721-5433	BIG BIRD CO. 385-9165		
CHICKENS, WHOLE, FRESH, w/o NECK OR GIBLETS, 2½ LB FRYERS, GRADE A, TYSONS	EACH	1.42	1.68	1.29	1.31	16 EACH ✓	2-1-92 aem
CHICKEN BREAST, BONELESS, SKINLESS, WITH RIB MEAT, 8oz, GRADE A	LB	2.21	2.40	2.56	2.26	20 LB ✓	2-1-92 aem
CHICKEN DRUMMETTES, 2ND JOINT ONLY, 10 LB BOX, GRADE A	BOX	.99	1.02	.89	.98	2 BOX ✓	2-1-92 aem

COMPARATIVE BID/ORDER SHEET/RECEIVING DOCUMENT

PERSON COMPLETING: ________________/________________
PURCHASING AGENT/RECEVING AGENT

DATE: ___/___ /___

PRODUCT DESCRIPTIONS	UNIT	COMMISSARY PRICE	PURVEYORS			AMOUNT ORDERED	DELIVERY DATE

RECEIVING FUNCTION

The primary objective of controlled receiving is to make sure that the quality and quantity ordered, at quoted prices, are actually being received.

Effective receiving requires that a trained receiving clerk be provided with sufficient space, adequate lighting, and proper equipment. These conditions include:

- A large dial scale, state certified for accuracy once a year

- Ample table space for placing and opening of boxes, cartons, and crates, and removing their contents for a quantity and quality check.

- Tools necessary to open containers speedily and safely.

- Space for storing hand truck and other equipment used to transfer goods to appropriate areas.

The emphasis placed on correct and effective receiving procedures results from the awareness that merchandise represents money in another form and should, therefore, always be counted and checked in with the same attention customarily given to cash.

The duties of the receiving clerk may include the storeroom and other responsibilities but they should not be the same person who buys the food. The person doing the receiving shall follow these instructions among others:

- A receiving schedule should be established and sent to all purveyors. The schedule would tell the purveyors the days of the week and the hours that the receiving clerk would be available to handle deliveries.

- Permitting purveyors access to inventories on hand to determine an order is strictly forbidden.

- All merchandise purchased by weight should be weighed after being removed from the wrappings and containers and checked for quality and quantity. Each item purchased by weight should be weighed separately.

- All items purchased by count should be counted and checked for quality using established specifications.

- Containers of fresh produce and similar merchandise should be opened and the contents inspected to insure that the entire lot is acceptable. When very large quantities are being received, at least every third box should be inspected thoroughly.

- A copy of the purchase specifications should be located in the receiving area and consulted to verify that the merchandise received is in compliance with that specified.

- Weights, counts, prices, and the items on the invoice should be compared to those on the competitive bid/order/receiving sheet. The amount of merchandise on the competitive bid/order/receiving sheet is the one the receiving clerk is authorized to receive. If weight, count, or quality of merchandise is not correct, a credit memorandum should be issued by the vendor's delivery person to the receiving clerk. This memorandum should note the overage or shortage of the weight or count of the merchandise and the corresponding dollar value that should be credited to the invoice. Moreover, particular attention should be paid to merchandise that is packed in containers that are warped, punctured, water stained, or otherwise blemished. Upon inspection, if the merchandise is damaged, it should be refused and a credit memorandum should be issued for the return amount.

- A credit memorandum, provided by the vendor's delivery person, should be completed in duplicate for refusal of merchandise and signed by both the receiving clerk and delivery person. The original of the credit memorandum should be attached to the invoice and the duplicate copy given to the delivery person.

- All copies of the invoices and delivery tickets should be signed and dated by the person receiving the merchandise. This is enforced through use of a receiving stamp. Invoice and delivery tickets, once checked for accuracy and signed, will not be handled in a manner which would permit vendor alteration. These documents are then forwarded to the manager or accounting department with the receiving clerk's copy of the competitive bid/order/receiving sheet and copies of any credit memoranda.

- After all foodstuffs have been checked for weight, count, and quality, each item should be marked with the day's date and unit price before going to storage. This procedure aids in the pricing of requisitions of merchandise for the operations by the storeroom personnel and facilitates the taking of inventories.

- All items received should be immediately stored in their proper areas. The receiving area itself should be kept clean and free from packing debris. By putting merchandise in its designated storage area, the likelihood of the receiving area becoming infested with vermin is minimized.

- All deliveries should be recorded on the receiving sheet immediately upon verification of the delivery.

- Invoices will be checked for mathematical accuracy by accounting. The checking of price extensions and total invoice figures is a very important task. Discrepancies should be followed up immediately with the vendor by the purchasing person.

PERPETUAL PRICING

A perpetual pricing sheet keeps pricing constantly recorded for each item in storage so that the most current price is always available. By using a copy of the pre-printed inventory form, the person assigned to this task (storeroom clerk, receiving clerk, chef, cook, etc.), will simply write the new prices (in pencil) of each of the items as they are delivered. At the end of the period and just before the inventory is taken, a copy of this form should be made and used as the inventory form. The original should be saved and used as the perpetual price sheet.

Once the inventory has been taken using the copy of the perpetual price sheet very few prices should have to be found from the invoices. This procedure will save many hours in pricing the inventory. New items received that are not listed on the perpetual price sheet should be written in at the time of delivery. For this reason the last two or three lines of each page should be left blank.

Other benefits of perpetual pricing are:

- When used with a physical inventory, a perpetual pricing sheet can help uncover pricing discrepancies by indicating what prices should be on items compared with what the prices of items on the shelf actually are.

- Helps in preparation of the physical inventory by having current item prices readily available.

- Aids in the daily pricing of requisitions or transfer of items from the storeroom to preparation or other areas.

- Used as a check on price fluctuations on products being quoted or purchased.

The person assigned will maintain a perpetual pricing sheet for each item carried in storage. Whenever there is a delivery that price needs to be recorded on the sheet in the appropriate column corresponding with the particular item being delivered.

Instructions for completion the Perpetual Pricing Sheet/ Inventory Sheet

This form has dual purpose; it serves as a perpetual pricing sheet to keep up-to-date prices on all items in storage and by simply copying the form it serves as the inventory sheet when the physical inventory needs to be taken.

- The perpetual pricing sheet should be preprinted with the items as they appear on the shelves of the storage areas. The items should be listed in the tem column. The last two or three lines of each page should be left blank so new items can be added.

- Write in the unit of each item as it will be inventoried (i.e. #10 can, 50 lb bag, box, etc.) for each item in the unit of inventory column.

- Write the unit cost price (in pencil) of each item as invoice states per that individual item in the unit cost price column. Unit cost price and unit of inventory must be the same unit of measure (i.e., if #10 can is in unit of inventory column, then unit cost price must be for one #10 can in the unit cost price column.

- Keep the perpetual pricing sheet updated on a daily basis as invoices are received. With the end of an accounting period, copy the form and give the copy to the person responsible for taking the inventory. The original (pencil copy) is retained and used as the perpetual pricing sheet for the next accounting period.

As invoices are received and prices need to be changed simply erase the old price and write in the new price of each item as needed.

PERPETUAL PRICING SHEET/INVENTORY SHEET

ITEM	PAR STOCK	UNIT OF INVENTORY	QUANTITY	UNIT COST PRICE	TOTAL COST
MUSHROOMS, FRESH				1.68 LB	
GREEN PEPPERS, FRESH				1.01 LB	
ONIONS, FRESH				.12 LB	
LETTUCE, ICEBURG				.89 LB	
LETTUCE, ROMAINE				1.12 LB	
TOTAL					

PRICED BY:		COUNTED BY:	
ENTERED BY:		TOTALED BY:	
ACTIVITY:	DEPT:	DATE:	SHEET NO:

PERPETUAL PRICING SHEET/INVENTORY SHEET

ITEM	PAR STOCK	UNIT OF INVENTORY	QUANTITY	UNIT COST PRICE	TOTAL COST
TOTAL					

PRICED BY:		COUNTED BY:	
ENTERED BY:		TOTALED BY:	
ACTIVITY:	DEPT:	DATE:	SHEET NO:

INVENTORY CONTROL/PHYSICAL STOREROOM INVENTORY

Inventory Control

The policy of the operation is to serve the highest quality and freshest food possible. To assure this, stock cannot be permitted to remain in inventory for long periods of time. It is equally important to maintain inventories at the lowest practical level consistent with safe operating practices and to avoid large investments of working capital tied up in inventory.

Procedure for inventory Control

The rate of stock turnover should be calculated each accounting period by dividing the ending inventory figure for the period into the total value of the food consumed during the same period. The objective should be to rotate the food inventory two to three times per month. Example: If the total food inventory is $6,500 and the total value of food consumed is $13,800, then the stock turnover rate is 2.12 times.

The storeroom person should be alert to specific items in the inventory that have not been used at all or have not turned over at least once during the month. Efforts should be made to use these items. Failure to do this can result in waste due to spoilage as well as contributing to excessive inventory levels.

This basic feature of inventory control, knowing what is actually on hand and how long it has been in inventory, is accomplished by using the following procedures:

1. Price marking and dating incoming items.
2. Maintaining the Perpetual Pricing Sheets.
3. Orderly placement of stock in storage.
4. "First -in/first-out" turnover status.
5. Calculation of stock turnover ratio.
6. Visual awareness of inventory status.
7. Proper purchasing procedures.
8. Taking physical inventories.
9. Proper key control and limiting access to storage areas.

Physical Inventory

Inventories, which represent a substantial investment to the operation, require careful periodic scrutinization to safeguard them from loss through theft, spoilage, or mishandling. The taking of the accounting period's physical inventory assists in reducing the possibilities of any loss and provides the operation with the opportunity to periodically update the financial records; namely, the assets on hand.

A physical inventory of all food items should be taken at least twice a month. Before the actual taking of the physical inventory, the necessary materials must be gathered and an orderly plan needs to be set forth whereby no areas of storage are omitted from the process.

Using the copy of the Perpetual Pricing Sheet/Inventory Sheet one person should assume the responsibility of calling out the name of the item and the quantity of that item existent in that space. At this time, the person should also be responsible for reviewing the stock on hand for spoilage and products of extreme age and should mark the items on the appropriate reports. As the first person calls out the item name and quantity, the second person is responsible for recording the item quantity in the appropriate spaces on the inventory sheets. The items listed on the inventory sheet should be described in sufficient detail to readily identify them at a later date if a review of invoicing must be made to determine any pricing discrepancies.

Instructions for completion the Perpetual Pricing Sheet/ Inventory" Sheet

This form has dual purpose; it serves as a Perpetual Pricing Sheet to keep up-to-date prices on all items in storage and by simply copying the form it serves as the Inventory Sheet when the physical inventory needs to be taken.

- Review sample and blank forms.

- The chef or kitchen manager should review the Perpetual Pricing Sheet/Inventory Sheet and write in the par stocks for each and every item in the par stock area. The par stock is based on the items' availability, price, and usage.

- The caller then calls out the name of the item and the quantity. The recorder then writes down the quantity of the item in the quantity column for each item called.

  Items not listed on the form can be added on the blank spaces at the bottom of each page.

- Since the items in the storeroom were dated and price marked at the time of receipt, the pricing of the products can be verified by using copies of the perpetual pricing sheets as the inventory copies. This price and date marking is also helpful in determining what items are turning over.

- The par stock column should be compared to the quantity column to see what should be ordered so no shortages on any item occur before the next delivery can be made.

- Following the physical inventory, a designated person should check the unit pricing for each item on the inventory sheets. In order to determine the most up-to-date pricing, use a copy of the perpetual pricing sheet for the preprinted inventory sheets, check the date and price of the products on the shelves, and use the invoices.

- After verifying the unit price for each of the items listed in the inventory, this person shall extend the unit price by quantity to determine the total item price and enter that price in the total price column for each item on the inventory sheets. Each page should then be added down and the total entered in the appropriate space at the bottom of the sheet. Adding all the page totals will result in a dollar figure that should represent the total dollar value of the inventory on hand.

- The personnel involved in the inventory process should complete the information at the bottom of each page.

- A copy should be made of the inventory sheet and held at the activity for future reference. The original should be sent to the accounting office.

PERPETUAL PRICING SHEET/INVENTORY SHEET

ITEM	PAR STOCK	UNIT OF INVENTORY	QUANTITY	UNIT COST PRICE	TOTAL COST
MUSHROOMS, FRESH	10LB	LB	5LB	1.68LB	8.40
GREEN PEPPERS, FRESH	12LB	LB	12LB	1.01LB	12.12
ONIONS, FRESH	40LB	LB	55LB	.12LB	6.60
LETTUCE, ICEBURG	50LB	LB	28LB	.89LB	24.92
LETTUCE, ROMAINE	5LB	LB	-0-	1.12LB	-0-
TOTAL					52.04

PRICED BY: B. Childers		COUNTED BY: ACMarko	
ENTERED BY: RWinkelhauser		TOTALED BY: B. Childers	
ACTIVITY: STAFF NCO CLUB	DEPT: mess	DATE: 1-28-92	SHEET NO: 1

PERPETUAL PRICING SHEET/INVENTORY SHEET

ITEM	PAR STOCK	UNIT OF INVENTORY	QUANTITY	UNIT COST PRICE	TOTAL COST
TOTAL					

PRICED BY:		COUNTED BY:	
ENTERED BY:		TOTALED BY:	
ACTIVITY:	DEPT:	DATE:	SHEET NO: